

**(IV) DELIVERY PROCEDURES**

**INDEX**

9. ALTERNATIVE DELIVERY PROCEDURE: ICE FUTURES EUROPE MIDLAND WEST TEXAS INTERMEDIATE AMERICAN GULF COAST CRUDE OIL FUTURES CONTRACTS ..... 2

PART CC: MIDLAND WEST TEXAS INTERMEDIATE AMERICAN GULF COAST CRUDE OIL FUTURES ..... 3

1. APPLICABILITY AND DEFINITIONS ..... 3

2. DELIVERY SPECIFICATION ..... 3

3. LIABILITY ..... 4

4. DELIVERY CONTRACT SECURITY AND CONTRACT VALUE ..... 5

5. DELIVERY TIMETABLE AND OBLIGATIONS ..... 5

## DELIVERY PROCEDURES

9. **ALTERNATIVE DELIVERY PROCEDURE: ICE FUTURES EUROPE MIDLAND WEST TEXAS INTERMEDIATE AMERICAN GULF COAST CRUDE OIL FUTURES CONTRACTS**
- 9.1 In respect of an ICE Futures Europe Midland West Texas Intermediate American Gulf Coast Crude Oil Futures Contract (“**Midland WTI Contract**” or “**Contract**”), if the Buyer agrees with the Seller to undertake a specific Tender outside the ICE Future Europe Rules, both parties must advise the Clearing House using the Form “ICE Midland WTI Contracts: Confirmation of Agreed ADP”.
- 9.2 Where an ADP is agreed, the Clearing House will settle the relevant Contracts at the Exchange Delivery Settlement Price and using such pipeline or facilities and subject to such specifications as are agreed between the Buyer and Seller fulfilling its obligations under the Contract in respect of delivery.
- 9.3 ICE Midland WTI Contracts: Confirmation of Agreed ADP forms received by the Clearing House after 09:00 CT / 15:00 LPT will be deemed to have been received on the next Business Day.
- 9.4 Where an ADP is agreed for a Midland WTI Contract, then, as from the time that the Clearing Members’ accounts are amended by the Clearing House as described in this paragraph 9, the affected Clearing Members and the Clearing House shall all automatically and immediately be released and discharged from all their rights, liabilities and obligations in respect of the affected Contract or Contracts and such rights, liabilities and obligations shall be replaced by such amended obligations as are agreed between the parties.

**PART CC: MIDLAND WEST TEXAS INTERMEDIATE AMERICAN GULF COAST CRUDE OIL FUTURES**

**1. APPLICABILITY AND DEFINITIONS**

1.1 This Part CC applies to all physically deliverable ICE Futures Europe Midland West Texas Intermediate American Gulf Coast Crude Oil Futures Contracts for which physical delivery is specified as applicable in the relevant Contract Terms and which go to physical delivery on the expiry date. Such ICE Futures Europe Midland West Texas Intermediate American Gulf Coast Crude Oil Futures Contracts are referred to in this part as “**Midland WTI Contracts**” or “**Contracts**”.

1.2 The following additional definitions apply to this part of the Delivery Procedures:

- (a) “**CT**” means “Central Time”, the prevailing time in Houston, Texas.
- (b) “**Enterprise**” means Enterprise Crude Pipeline LLC, and its successors.
- (c) “**Enterprise ECHO Terminal**” means the crude oil storage terminal owned and operated by Enterprise located at 6849 E. Sam Houston Parkway S., Houston, Texas 77034.
- (d) “**LPT**” means “London Prevailing Time”, the prevailing time in London, United Kingdom.
- (e) “**Magellan**” means Magellan Crude Oil Pipeline Company, L.P., and its successors.
- (f) “**Magellan MEH Terminal**” means the crude oil storage terminal owned and operated by Magellan located at 7901 Wallisville Road, Houston, Texas 77029.
- (g) “**Midland WTI**” or “**Product**” means a Permian Basin originated West Texas Intermediate crude oil which meets the Specifications.
- (h) “**Specified Terminal**” has the meaning determined pursuant to the relevant Midland WTI Contract.

**2. DELIVERY SPECIFICATION**

**2.1 Delivery**

Deliveries pursuant to Midland WTI Contracts are effected by Product Transfer Order for inter-facility transfer, in-system transfer or in-tank transfer of title of required Midland WTI from a Seller to a Buyer. Deliveries will therefore not be subject to any delivery tolerances. The tolerance of delivery into and out of the Enterprise ECHO Terminal will be dealt with by Enterprise and the Magellan MEH Terminal by Magellan and, where applicable, industry practices.

Delivery shall be made at the Enterprise ECHO Terminal and / or the Magellan MEH Terminal, as applicable, in accordance with the relevant Contract Terms and all Applicable Laws. For the avoidance of doubt, each of the Enterprise ECHO Terminal and the Magellan MEH Terminal is a Delivery Facility for the purposes of Midland WTI Contracts.

In order to make and take delivery, the Seller and Buyer respectively must be approved customers and have executed documentation governing such delivery process at the applicable Specified Terminal. In accordance with the Contract Terms, (i) the Seller is obliged to have all the required permits, licenses and authorizations to operate as a customer at the Specified Terminal elected for the purposes of making delivery under the Contract; and (ii) the Buyer is obliged to have all the required permits, licenses and authorizations to operate as customer at both Enterprise ECHO Terminal and Magellan MEH Terminal for the purposes of taking delivery under the Contract.

**2.2 Origin and Quality**

Midland WTI shall be a Permian Basin originated West Texas Intermediate crude oil conforming to the Specifications, as described in the Contract Terms and the ICE Futures Europe Rules, and shall be delivered free from all liens, encumbrances, unpaid taxes, fees, other charges and any other form of claim.

### 2.3 **Quantity**

Quantities are as required under the relevant Contract Terms.

### 2.4 **Price**

The price at which the Midland WTI Contracts are delivered shall be based on the final settlement price, which shall be published on the Last Trading Day for the contract month.

### 2.5 **Cessation of Trading**

Contracts cease trading on the Last Trading Day, as defined in the Contract Terms.

### 2.6 **Exchange for Physicals (EFPs)**

EFPs may be made only in accordance with the ICE Futures Europe Rules, provided that EFPs executed on the Last Trading Day for any contract month may be reported at any time after the close of trading until 09:00 CT / 15:00 LPT on the next Business Day following the Last Trading Day.

## 3. **LIABILITY**

3.1 The provisions of this paragraph 3 are without prejudice to the generality of, and subject to, the provisions of the ICE Futures Europe Rules relating to liability and apply in addition to the general requirements of these Delivery Procedures.

3.2 Neither the Clearing House nor ICE Futures Europe is responsible for, and neither of them shall have any liability whatsoever as a result of, the performance or non-performance of Enterprise or any person who operates the Enterprise ECHO Terminal or Magellan or any person who operates the Magellan MEH Terminal. Neither the Buyer nor the Seller, nor their Clearing Members, shall have any claim against the Clearing House for any loss, cost, damage, or expense incurred or suffered as a result of the performance or non-performance of Enterprise, the Enterprise ECHO Terminal, Magellan or the Magellan MEH Terminal. This provision is without prejudice to the Clearing House's liability under Contracts.

3.3 Neither the Clearing House nor ICE Futures Europe makes any representation regarding the authenticity, validity or accuracy of any delivery Tender notice, confirmation of transfer or any other notice, document, file, record, or instrument used or delivered pursuant to the ICE Futures Europe Rules and Delivery Procedures.

## 4. **DELIVERY CONTRACT SECURITY AND CONTRACT VALUE**

4.1 On the second Business Day following the Last Trading Day, the Clearing House will call for delivery Margin from the Seller and the Buyer, such amount to be paid in accordance with the Finance Procedures. The Clearing House will retain the Seller's and Buyer's delivery Margin until such times as specified below.

4.2 At the beginning of the Business Day prior to delivery day for the Contract, the Clearing House will call for the full delivery Margin as against the Contract value from the Buyer, such amount to be paid in accordance with the Finance Procedures.

5. **DELIVERY TIMETABLE AND OBLIGATIONS**

Delivery under a Midland WTI Contract is based on open contract positions at close of trading on the Last Trading Day for which physical delivery is specified as applicable in the relevant Contract Terms and which go to physical delivery on the expiry date. A delivery schedule shall be agreed between Enterprise and/or Magellan and the Buyer and Seller. Delivery shall take place no earlier than the first calendar day of the delivery month and shall be completed no later than the last calendar day of the delivery month. Seller shall ensure that its crude oil receipts are available to begin flowing ratably by the first calendar day in the delivery month at the Specified Terminal.

	<b>Three Business Days prior to the 25th calendar day of the month</b>	
<b>Last Trading Day</b>	13:30 CT / 19:30 LPT	Trading in Midland WTI Contracts ceases.
	<b>Last Trading Day + 1 Business Day</b>	
<b>Notice Day</b>	By 09:00 CT / 15:00 LPT	EFPs may be posted following the cessation of trading until this time.
	By 10:00 CT / 16:00 LPT	Clearing Members must confirm the positions they intend to deliver or receive and their underlying client(s) by submitting a “Delivery Confirmation Form” to the Clearing House.  Buyers may elect a preference for delivery at a Specified Terminal (or split deliveries at both Specified Terminals), however such preference will only become effective once confirmed by the Clearing House. The Clearing House’s confirmation shall be final and binding on the Buyer as to the Specified Terminal where delivery shall take place.
	Thereafter	Following receipt of such required forms from Clearing Members, the Clearing House will verify the relevant data, including against valid customer lists provided by Enterprise and Magellan, and the Clearing House will make appropriate delivery Tenders at the respective Specified Terminals, matching the clients of Clearing Members that are Buyers with the clients of Clearing Members that are Sellers for the purposes of them making delivery to one another. <sup>1</sup>  To allow Clearing Members, where applicable, to inform their clients who they have been matched with, Clearing Members will receive email confirmation of all relevant Tenders by means of automated email via the Clearing House's systems and MFT (or any successor system).
<b>Nomination Day</b>	<b>Last Trading Day + 2 Business Days</b>	

<sup>1</sup> NTD: Matching mechanic for Buyers and interplay with Contract Rules to be confirmed.

	By 03:00 CT / 09:00 LPT	Buyer's delivery Margin and Seller's delivery Margin shall be debited from Clearing Members that are Buyers and Clearing Members that are Sellers, respectively, for their deliverable positions.  Delivery Margin will be calculated by the Clearing House's systems as undelivered volume (lots x 1,000 barrels) x an appropriate scanning range (as determined by the Clearing House).  The Clearing House will collect contingent variation margin from both the Buyer and Seller.
	By 17:00 CT / 23:00 LPT	Nominations to be submitted by Buyer and Seller or, where applicable, their Transferors or Transferees, respectively, as per individual Tenders, to Enterprise via Enterprise's ESTREAM System or Magellan via Magellan's COBALT system, as applicable.
	<b>One Business Day prior to the first calendar day of the delivery month</b>	
<b>Completion of settlement instructions</b>	By 03:00 CT / 09:00 LPT	Delivery Margin increases to full contract value for the Buyer; the Clearing House will debit the Buyer's account accordingly. Contingent variation margin requirements end for the Buyer.
	By 17:00 CT / 23:00 LPT	As soon as possible after receipt of the nominations and no later than 17:00 CT / 23:00 LPT, Enterprise and Magellan will provide scheduling instructions to their respective Buyers and Sellers.
	<b>Delivery Day</b>	
<b>Delivery Day</b>		By no later than the last calendar day in the delivery month, delivery is to be made at the Enterprise ECHO Terminal or the Magellan MEH Terminal, as applicable, in accordance with the Contract Terms, Applicable Laws and the scheduling instructions given by Enterprise or Magellan, as applicable.
	<b>Delivery Day + 10 Business Day</b>	
<b>Following Delivery</b>	By COB	By close of business, Enterprise or Magellan, as applicable, will provide the Clearing House with delivery confirmation confirming delivery of the Product to the Buyer. Deliveries are not valid until confirmed by Enterprise or Magellan, as applicable, to the Clearing House. In the event of discrepancy between the parties, confirmations of Enterprise or Magellan, as applicable, shall override those of the Buyer and Seller.
		Contingent variation margin requirements end for the Seller.
	<b>3 Business Days prior to the Seller's Invoice</b>	
<b>Buyer's Invoice</b>	The Buyer's invoice is issued. Clearing House returns Buyer's delivery Margin.	

<b>Seller's Invoice</b>	<b>20th calendar day of the month following the delivery month</b>
	The Seller's invoice is issued. Clearing House will release Seller's delivery Margin.